

(3) "STRUCTURAL DEFECT" DOES NOT INCLUDE DAMAGE CAUSED BY MOVEMENT OF THE SOIL:

(I) RESULTING FROM A FLOOD OR EARTHQUAKE; OR

(II) FOR WHICH COMPENSATION IS ~~OTHERWISE~~ HAS BEEN PROVIDED BY LAW OR INSURANCE.

(P) "WARRANTY DATE" MEANS THE FIRST DAY THAT THE OWNER OCCUPIES THE NEW HOME, SETTLES ON THE NEW HOME, MAKES THE FINAL CONTRACT PAYMENT ON THE NEW HOME, OR OBTAINS AN OCCUPANCY PERMIT FOR THE NEW HOME IF THE HOME IS BUILT ON THE OWNER'S PROPERTY, WHICHEVER IS EARLIER.

10-602.

(A) PRIOR TO ENTERING INTO A CONTRACT FOR SALE OR CONSTRUCTION OF A NEW HOME, THE BUILDER SHALL DISCLOSE IN WRITING TO THE OWNER WHETHER:

(1) THE BUILDER PARTICIPATES IN A NEW HOME WARRANTY SECURITY PLAN THROUGH WHICH:

(I) THE BUILDER MUST PROVIDE THE OWNER WITH A NEW HOME WARRANTY; OR

(II) THE BUILDER MAY PROVIDE A NEW HOME WARRANTY TO THE OWNER AT THE OWNER'S OPTION; OR

(2) THE BUILDER DOES NOT PARTICIPATE IN A NEW HOME WARRANTY SECURITY PLAN.

(B) THE DISCLOSURE WILL BE MADE ON A FORM APPROVED BY THE SECRETARY.

10-603.

(A) IF THE BUILDER DOES NOT PARTICIPATE IN A NEW HOME WARRANTY SECURITY PLAN:

(1) THE BUILDER MUST MAKE A DISCLOSURE CONTAINING AN EXPLANATION IN 12 POINT TYPE THAT:

(I) THE OWNER SHOULD BE AWARE THAT BUILDERS OF NEW HOMES IN THE STATE OF MARYLAND ARE NOT REQUIRED TO BE LICENSED BY THE STATE AND ARE NOT LICENSED IN MOST LOCAL JURISDICTIONS; AND

(II) WITHOUT A NEW HOME WARRANTY OR OTHER EXPRESS WARRANTIES, THE OWNER MAY BE AFFORDED ONLY CERTAIN LIMITED IMPLIED WARRANTIES AS ARE PROVIDED BY LAW.

(2) THE OWNER SHALL ACKNOWLEDGE IN WRITING THAT THE